Veterans Affairs

2008-2009 Report on Plans and Priorities

The Honourable Greg Thompson, P.C., M.P.
Minister of Veterans Affairs

TABLE OF CONTENTS

SECTION I - OVERVIEW 1
- Minister's Message 1
- Chair's Message 3
- Management Representation Statement 4
- Raison d'être 5
- Organizational Information 5
- Program Activity Architecture Crosswalk 9
- Voted and Statutory Items Displayed in Main Estimates 10
- Planned Spending and Full Time Equivalents 11
- Summary Information 12
- Portfolio Plans and Priorities 14
  - Operating Environment 16
  - Strategic Outcomes, Priorities and Plans 19

SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME . . . 31
- Pensions, Awards, Allowances for Disability and Death; and Financial Support . . . 31
- Health Care and Re-establishment Benefits and Services 32
- Remembrance Programming 33
- Veterans Review and Appeal Board redress process for disability pensions and awards 34
- Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues 35

SECTION III - SUPPLEMENTARY INFORMATION 37
- Table 1: Portfolio Links to the Government of Canada Outcome Areas 37
- Table 2: Sustainable Development Strategy 38
- List of Electronic Tables 40

SECTION IV – OTHER ITEMS OF INTEREST 41
- Why We Honour Them 41
- Partnerships 42
- Appendices: 44
  - Appendix A: Acronyms 44
  - Appendix B: Web sites 45
  - Appendix C: Contact Information 47

SECTION I - OVERVIEW

Minister's Message

Throughout our nation's history, Canada has been defined internationally by the heroic actions of its Canadian Forces. Canadian soldiers have long been regarded as the gold standard – our nation owes them nothing less than a gold standard level of service during their times of need. In short, these brave Canadians have provided quality service to their country and they deserve only quality service in return.

As Minister of Veterans Affairs, it is with great pride that I present our *2008-2009 Report on Plans and Priorities*. This report outlines our commitment to provide quality service for our clients.

The men and women who continue to serve our country in Afghanistan and other areas of conflict are carrying on the noble Canadian tradition of bringing peace and freedom to parts of the world that have known violence and suffering. Canadian Forces members continue to be placed in unpredictable and dangerous surroundings and we expect the number of our Canadian Forces clients will continue to rise in the foreseeable future. In response, Veterans Affairs Canada will continue to improve the services offered under the New Veterans Charter which provides Canadian Forces members, Veterans and their families with the means to make a successful transition to civilian life.

Our older Veterans, those who first demonstrated Canada's military prowess to the world, have very different needs. Our commitment to these Veterans and their families is to continually strive to improve our programs and services in an effort to provide a wider range of care options, as shown by Budget 2008 which extends the Veterans Independence Program to include eligible low-income or disabled survivors of traditional war service Veterans.

The Veterans Bill of Rights will assist us in this goal by helping to ensure every client is treated with respect, dignity and fairness. I am pleased to report that Canada's new Veterans Ombudsman has officially begun his duties. The Ombudsman and his office will operate independently from the Department and will play an important role in raising awareness of the needs and concerns of Veterans.

In addition to keeping the legacy of our traditional war Veterans alive, we must also pay tribute to those who served in peacekeeping operations and continue to serve our country in Afghanistan and other areas of conflict. Veterans Affairs Canada will continue to work with groups and organizations across Canada to deliver remembrance activities and events that have a real and lasting impact on Canadians. We will also provide Canadians with more opportunities to participate in remembrance activities in their communities and continue to ensure the preservation, care and dignity of Canada's cenotaphs and monuments, at home and abroad, which honour our Veterans, war dead, and significant military events.

I am proud of Veterans Affairs' staff and their commitment to serving and honouring our clients. I invite all Canadians and Parliamentarians to learn more about our commitments to provide quality service for clients through the programs and services available to our Veterans, members and former members of the Canadian Forces and the Royal Canadian Mounted Police, and the Canadian public.

The Honourable Greg Thompson, P.C., M.P.
Minister of Veterans Affairs

Chair's Message

As we look to the coming year, I am encouraged to see the opportunities that lie ahead for the Veterans Review and Appeal Board. The appointment of the Veterans Ombudsman, changes in program delivery and a renewed emphasis on communications are intended to improve the appeal process and overall satisfaction of Veterans, members of the Canadian Forces and the Royal Canadian Mounted Police. I am very pleased to present the *2008-2009 Report on Plans and Priorities* which outlines the Board's direction for the year.

The Board had an extremely busy workload last year, completing more than 7,000 claims. This year, our work appears to be equally as challenging. At the forefront of our goals is to explore ways of improving how we deliver our program to reduce the wait for applicants to have their claims adjudicated. While minimizing wait times is important, so is maintaining the high standard of each decision we make.

With the introduction of the Veterans Ombudsman this past November, the Board looks forward to building a collaborative working relationship with this office to better serve applicants and their families. We see this as an opportunity to look at our processes with fresh eyes, consider new ways of addressing issues, and streamline our approach wherever possible.

The Board values communications and is committed to handling all cases with respect, courtesy and professionalism. Over the coming year, the focus will be on increasing communications with applicants and other stakeholders, improving the website and updating performance information.

The Board continues to recognize the importance of its role in the adjudicative process and the impact of its decisions on the lives of applicants and their families. We look forward to continuing our work to ensure cases are thoughtfully considered from an unbiased perspective, upholding the integrity and fairness of our decisions for all those who apply.

Victor A. Marchand
Chair, Veterans Review and Appeal Board

Management Representation Statement

We submit, for tabling in Parliament, the *2008-2009 Report on Plans and Priorities* for Veterans Affairs, a Portfolio comprising Veterans Affairs Canada (VAC, the Department) and the Veterans Review and Appeal Board (VRAB, the Board).

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2008-2009 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:*

- It adheres to the specific reporting requirements outlined in the Treasury Board of Canada Secretariat guidance;
- It is based on the Portfolio's strategic outcomes and program activities that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board of Canada Secretariat.

Suzanne Tining
Deputy Minister
Veterans Affairs Canada
February 1, 2008

Victor A. Marchand
Chair
Veterans Review and Appeal Board
February 1, 2008

Raison d'être

Canada's contribution to global peace and security, both as an ally and as a peacekeeping partner, has come at a heavy price to our Veterans. Veterans Affairs exists primarily to repay the nation's debt of gratitude towards those whose legacy is the peace and security we continue to enjoy as Canadians.

The focus of Veterans Affairs Canada is on the delivery of quality services that respond to the needs of our clients. We provide pensions or awards for disability or death and financial support to compensate for hardships arising from disabilities and lost economic opportunities. We have a comprehensive and integrated range of compensation and wellness programs to assist our clients and contribute to their re-integration into civilian life. We also provide treatment benefits (prescription drugs, audiology services, vision care, dental services, etc.), a Veterans Independence Program, long-term care, and rehabilitation and re-establishment support to eligible Veterans and others. These benefits and services are designed to enhance the quality of life of our clients, promote their independence and allow them to remain at home and in their own communities. In support of our clients, the Ombudsman and his office will operate independently from the Department and will play an important role in raising awareness of their needs and concerns.

Another important aspect of our mandate is fostering the memory of Canada's Veterans. This is achieved by engaging communities in remembering the achievements and sacrifices of our Veterans and promoting an understanding of how their actions have enhanced our way of life.

Canada's contributions to world peace and security are reflected in the diverse clientele that we serve. In addition to our nation's traditional war Veterans from the First and Second World Wars and the Korean War, our clients include former and serving members of the Canadian Forces (CF) and the Royal Canadian Mounted Police (RCMP), as well as eligible family members (survivors and dependants).

Individuals who are dissatisfied with decisions made by the Department regarding disability compensation (including War Veterans Allowance decisions) can seek redress from the Veterans Review and Appeal Board. The Board is a quasi-judicial tribunal with full and exclusive jurisdiction to hear, determine and deal with all applications for review and appeal under the *Pension Act*, the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*, the *War Veterans Allowance Act* and other acts of Parliament. The Board is committed to ensuring fairness, competence and excellence to Canadians in every area of its program and services.

Organizational Information

Accountability

The Minister of Veterans Affairs is supported by a Deputy Minister and an Associate Deputy Minister. The Department has three branches and two divisions which report

to the Deputy Minister, while three divisions report directly to the Associate Deputy Minister. General Counsel (Justice Canada) provides legal services to the Deputy Minister. The Veterans Ombudsman reports to the Minister of Veterans Affairs who tables the Ombudsman's annual report in Parliament.

The Veterans Review and Appeal Board is headed by a Chair who is the Chief Executive Officer and reports to Parliament through the Minister of Veterans Affairs. The Chair is supported by a Deputy Chairperson and a Director General.

Senior Management Committees

VAC has four senior management committees: the Senior Management Committee (SMC), the Human Resources Senior Management Committee (HRSMC), the Departmental Executive Board (DEB), and the Audit and Evaluation Committee (AEC).

VAC's Senior Management Committee is chaired by the Deputy Minister. SMC is the Department's senior departmental review/decision-making committee. Members of this committee include: the Deputy Minister, Associate Deputy Minister, all Assistant Deputy Ministers, two Directors General, and the General Counsel.

The Human Resources Senior Management Committee is chaired by the Deputy Minister. HRSMC is the senior departmental review/decision-making committee for human resources of the Department. This body provides senior management with the opportunity to engage in strategic human resources management issues, reviews human resources monitoring reports and approves human resources policies. Members of the committee include: the Deputy Minister, Associate Deputy Minister, all Assistant Deputy Ministers, three Directors General and the General Counsel.

The Departmental Executive Board is chaired by the Deputy Minister and consists of senior management, including all Directors General. DEB reviews departmental programs, finance, systems and human resource policies and implementation plans and results. This forum also allows for an effective exchange of information and discussion on operational, policy and program activities.

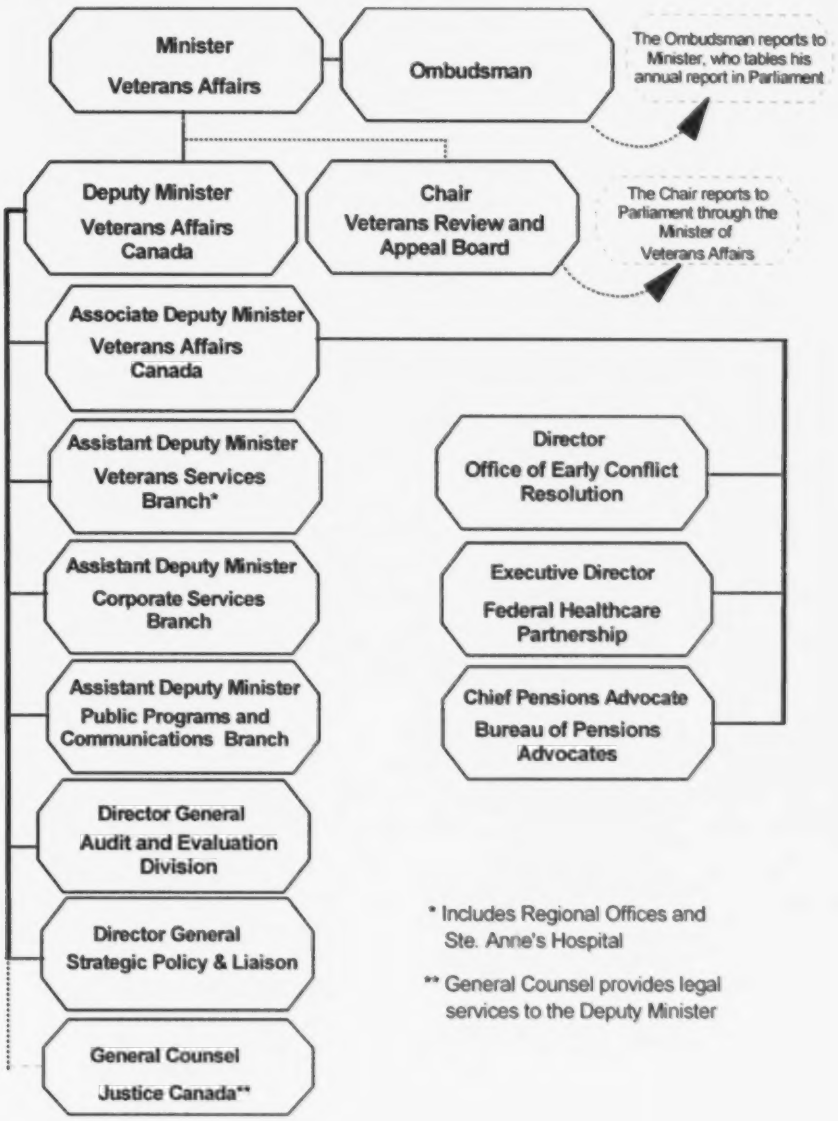
The Audit and Evaluation Committee is chaired by VAC's Deputy Minister and includes the Associate Deputy Minister, representatives of departmental Senior Management as appointed by the Deputy Minister, and the Chair of the Veterans Review and Appeal Board. The Treasury Board Secretariat and the Office of the Auditor General (OAG) sit on this committee as observers. AEC's portfolio-wide role includes: approving the audit and evaluation plan; reviewing risk management; strengthening the independence, objectivity and effectiveness of the internal audit and evaluation functions; emphasizing accountability of managers; and, facilitating communication concerning the internal audit and evaluation functions between senior management, central agencies and the OAG.

The Veterans Review and Appeal Board has a Senior Management Committee comprising of the Chair, Deputy Chair, Director General, Director of Legal Services, and the Director of Professional Development and Advisory Services. The Committee

provides leadership and strategic direction in the delivery of the Board's program and addresses emerging issues.

The following organizational charts illustrate how Veterans Affairs is structured.

Veterans Affairs Canada Organization



Veterans Review and Appeal Board Organization

Program Activity Architecture Crosswalk

Veterans Affairs' Program Activity Architecture was modified for the 2007-08 fiscal year to establish the Office of the Veterans Ombudsman. The resulting impact was the need to create a new Strategic Outcome and associated Program Activity with expected results and performance measurement indicators. The following illustrates the revised Veterans Affairs' Program Activity Architecture.

Strategic Outcome	*Program Activity*
Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment	Pensions, Awards, Allowances for Disability and Death; and Financial Support
	Health Care and Re-establishment Benefits and Services
Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace	Remembrance Programming
Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and members, RCMP clients, qualified civilians and their families	Veterans Review and Appeal Board redress process for disability pensions and awards
Ombudsman recommendations advance Veterans Affairs fair and equitable treatment of eligible clients	Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues

Voted and Statutory Items Displayed in Main Estimates

($ millions)			
Vote or Statutory Item	Truncated Vote or Statutory Wording	2008-2009 Main Estimates	2007-2008 Main Estimates
1	Veterans Affairs - Operating expenditures	970.5	905.9
5	Veterans Affairs - Capital expenditures	22.9	22.8
10	Veterans Affairs - Grants and contributions	2,353.9	2,397.6
15	Veterans Affairs - Veterans Review and Appeal Board - Operating expenditures	9.6	9.5
(S)	Contributions to employee benefit plans	40.7	39.6
(S)	Minister of Veterans Affairs' Salary and motor car allowance	0.1	0.1
(S)	Veterans Insurance Actuarial Liability Adjustment	0.2	0.2
(S)	Repayments under section 15 of the *War Service Grants Act* of compensating adjustments made in accordance with the terms of the *Veterans' Land Act*	-	-
(S)	Returned Soldiers Insurance Actuarial Liability Adjustment	-	-
(S)	Re-Establishment Credits under Section 8 of the *War Service Grants Act*	-	-
	Total Portfolio	3,397.7	3,375.7

* Amounts may not add to the total due to rounding

The 2008-09 Main Estimates are $22 million higher than 2007-08. This is a net result of:

- an increase to provide ex-gratia payments to compensate for the health effects of Agent Orange at CFB Gagetown;
- an increase to establish five additional Occupational Stress Injury clinics, strengthen services to Veterans and their families, and provide improved support to military families of Canadian Forces Veterans;
- an increase for the establishment of the Office of the Veterans Ombudsman
- an increase for the Veterans Independence Program to reflect increased costs and increased usage of the program, especially the housekeeping, grounds maintenance and personal care elements; and
- decreases in costs for Disability Pensions and Allowances, treatment benefits and War Veterans Allowances due to a decrease in the number of clients.

Planned Spending and Full Time Equivalents

($ millions)	Forecast Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Planned Spending 2010-2011
Program Activities				
Pensions, Awards, Allowances for Disability and Death; and Financial Support	2,182.4	**2,166.6**	2,098.4	2,048.2
Health Care and Re-establishment Benefits and Services	1,128.5	**1,160.9**	1,167.4	1,163.3
Remembrance Programming	51.1	**50.6**	50.6	50.6
Veterans Review and Appeal Board redress process for disability pensions and awards	13.7	**13.8**	13.8	13.8
Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues	-	**5.8**	5.8	5.8
Budgetary Main Estimates (gross)	3,375.7	**3,397.7**	3,336.0	3,281.7
Total Main Estimates	3,375.7	**3,397.7**	3,336.0	**3,281.7**
Adjustments (Planned spending not in Main Estimates):				
Funding for collective bargaining increases and pay-list shortfalls	8.7			
Funding to honour Canada's military heroes through the commemoration of the 90th Anniversary of the Battle of Vimy Ridge and the passing of Canada's remaining First World War Veterans	1.4			
Ex gratia payments to deliver on the Government's commitments related to Agent Orange testing at CFB Gagetown in 1966 and 1967	20.1			
Funding for the establishment of the Office of the Veterans Ombudsman and a Veterans Bill of Rights	5.0			
Funding of legal costs associated with a class action lawsuit concerning the administration of Veterans' accounts (Authorson litigation)	3.5			
Funding to strengthen services to Veterans and their families by enhancing services to Veterans Family Support Network, establishing five Occupational Stress Injury Clinics and improving timeliness of services and benefits for traditional clients	17.6			
Critical capital for the renovations for Ste. Anne's Hospital and the restoration of Canada's First World War European Monuments	3.8			
Increased funding for the provision of home care for Veterans and qualified primary care givers and for intermediate care for Veterans in community facilities	15.7			

($ millions)	Forecast Spending 2007-2008	**Planned Spending 2008-2009**	Planned Spending 2009-2010	Planned Spending 2010-2011
Other miscellaneous items	3.2			
Operating budget carry forward (horizontal items)	6.6			
Gross Amount:	3,461.3			
Less: Spending authorities available within the Vote	(17.4)			
Net Amount:	3,443.9			
Total Planned Spending	3,443.9	**3,397.7**	3,336.0	3,281.7
Less: Non-respendable revenue	(31.5)	**(30.6)**	(30.7)	(30.8)
Plus: Cost of services received without charge	30.8	**38.4**	38.4	38.4
Net cost of Portfolio	3,443.2	**3,405.5**	3,343.7	3,289.3
Full-Time Equivalents	3,846	**3,896**	3,849	3,840

Summary Information

PLANNED SPENDING AND HUMAN RESOURCES FOR VETERANS AFFAIRS

Financial Resources ($ millions)

	2008-2009	2009-2010	2010-2011
Veterans Affairs Canada	3,383.9	3,322.2	3,267.9
Veterans Review and Appeal Board	13.8	13.8	13.8

Human Resources (full time equivalents)

	2008-2009	2009-2010	2010-2011
Veterans Affairs Canada	3,749	3,702	3,693
Veterans Review and Appeal Board	147	147	147

Portfolio Priorities

	Name	Type
1	Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families (VAC)	Ongoing
2	Implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of clients (VAC)	Ongoing
3	Engaging Canadians in community-based remembrance activities with an emphasis on Canada's youth (VAC)	Ongoing
4	Enhancing organizational effectiveness (VAC)	Ongoing
5	Sustained program (VRAB)	New
6	Improved program delivery (VRAB)	Ongoing
7	Engaged communication with appellants and stakeholders (VRAB)	Ongoing

Portfolio Plans and Priorities

Veterans Affairs has four strategic outcomes (two for Veterans Affairs Canada, one for the Veterans Review and Appeal Board, and one for the Office of the Veterans Ombudsman) with a total of five Program Activities and seven priorities. The following tables illustrate how the strategic outcomes, program activities and priorities are aligned and how the planned spending is allocated.

PORTFOLIO PRIORITIES BY STRATEGIC OUTCOME - VETERANS AFFAIRS CANADA

		Planned Spending ($ millions)			
	Expected Results	2008-2009	2009-2010	2010-2011	Contributes to the following priority
Strategic Outcome #1: Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment					
Program Activity					
Pensions, Awards, and Allowances for Disability and Death; and Financial Support	Eligible clients of Disability Pensions, Financial Support, Awards and Allowances Programs are appropriately compensated to contribute to their well-being	2,166.6	2,098.4	2,048.2	Priorities 1, 2 and 4
Health Care and Re-establishment Benefits and Services	VAC contributes to the well-being of clients through the provision of health benefits and rehabilitation services	1,160.9	1,167.4	1,163.3	Priorities 1, 2 and 4
Strategic Outcome #2: Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace					
Program Activity					
Remembrance Programming	A Canadian public that is informed of military history and engaged in honouring the contributions of Veterans and those who gave their lives in the cause of peace and freedom	50.6	50.6	50.6	Priorities 3 and 4

PORTFOLIO PRIORITIES BY STRATEGIC OUTCOME - VETERANS REVIEW AND APPEAL BOARD

		Planned Spending ($ millions)			
	Expected Results	2008-2009	2009-2010	2010-2011	Contributes to the following priority
Strategic Outcome #3: Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families					
Program Activity					
Veterans Review and Appeal Board redress process for disability pensions and awards	Fairness in the Disability Pension, Disability Award and War Veterans Allowance Program	13.8	13.8	13.8	Priorities 5, 6 and 7

PORTFOLIO PRIORITIES BY STRATEGIC OUTCOME - OFFICE OF THE VETERANS OMBUDSMAN

		Planned Spending ($ millions)			
	Expected Results	2008-2009	2009-2010	2010-2011	Contributes to the following priority
Strategic Outcome #4: Ombudsman recommendations advance Veterans Affairs fair and equitable treatment of eligible clients					
Program Activity					
Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues	Individual client complaints are effectively dealt with in a timely manner Reports on recommendations on complex systemic and emerging issues Veterans Affairs Canada's programs and services address client needs	5.8	5.8	5.8	Priorities 1,2,4,5 and 6

Operating Environment

While continuing to deliver quality services for clients, Veterans Affairs continues to implement the New Veterans Charter and is currently examining its programs and services to ensure that they meet the needs of present and future clients, as well as planning for the renewal of its workforce.

We deliver our programs and services within an environment that is influenced by many internal and external factors. These factors include:

- government's broader priorities;
- implementation of the provisions of the *Federal Accountability Act;*
- changing composition of our client base as well as their expectations and program needs;
- Canada's continued involvement in international operations; and
- changing demographics of clients and the public service workforce.

The priorities of the Government of Canada as announced in the October 2007 Speech from the Throne are:

- strengthening Canada's sovereignty and place in the world;
- building a strong federation;
- providing effective economic leadership;
- continuing to tackle crime; and
- improving our environment.

Veterans Affairs supports these priorities through the provision of economic and health care benefits to our clients and through the Government of Canada's commitment to continue to improve support for our Veterans, as well as through commemoration activities.

The *Federal Accountability Act,* which received Royal Assent on December 12, 2006, includes specific measures to help strengthen accountability and increase transparency and oversight in government operations, such as: a requirement to review the relevance and effectiveness of each Grant and Contribution program every five years; mandatory "integrity" clauses in contracts; the designation of Deputy Minister as Accounting Officer; the requirement to establish an external audit committee and to ensure an internal audit capacity appropriate to a department's needs; and, a new mandate for the Auditor General to follow the money for Grants and Contributions. As part of these measures, all departments must fully implement a new Policy on Internal Audit by April 2009.

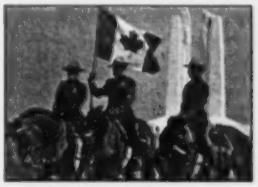
The establishment of a Veterans Ombudsman also strengthens accountability and increases transparency by providing an independent oversight function of the activities of the Veterans Affairs Portfolio with respect to clients.

Government of Canada initiatives aimed at improving efficiency and services to Canadians (e.g. Information Technology Shared Services Initiative, Pan-Canadian Electronic Health Record Infostructure, Canada Health Infoway for the provinces and territories) will affect how departments conduct their operations. Veterans Affairs

must take these initiatives into account when considering access to health information and the compatibility of its proprietary systems with other systems.

In response to the changing needs of our Canadian Forces clients, the New Veterans Charter was implemented on April 1, 2006. It represents the most significant overhaul of VAC programs and services since the Second World War. These new programs and services are helping younger Canadian Forces Veterans successfully make the transition into civilian life through rehabilitation and reintegration programs. Veterans Affairs is building upon these achievements by continuing to improve our programs and services.

In recent years the number of Canadian Forces members serving in peacekeeping and peacemaking missions and other international operations has increased significantly, with frequent and prolonged deployments. Among other challenges, this has resulted in an increase in operational stress injuries and a corresponding need for increased support from VAC and the Department of National Defence (DND).



Like the Canadian Forces, the Royal Canadian Mounted Police (RCMP) continue to face many challenges. They are responding in part by moving to integrated policing and implementing crime reduction strategies, and also by recruiting and increasing staffing levels. The inherent danger, risks and stresses of policing are contributing to a significant increase in the number of disability pensions and associated benefits provided to RCMP members.

A significant portion of our workforce will be eligible for retirement within the next 5 to 10 years, with a resulting high risk of loss of corporate knowledge. The renewal of the federal public service will mean a rejuvenation of our workforce to ensure the continued delivery of quality services as the employee population ages, technology advances, and service needs of Canadians continue to change. Veterans Affairs renewal efforts are focussed on:

- comprehensive integrated human resource and business planning;
- succession planning to manage the influx of new talent and the potential retirement of a significant portion of the workforce - e.g. recruitment of new professionals, the Post-Secondary Recruitment Inventory, Career Fairs, and employee retention initiatives;
- employee development which includes personal learning plans and opportunities for employees and the executive cadre; and
- corporate infrastructure improvements to enable improved efficiency and effectiveness.

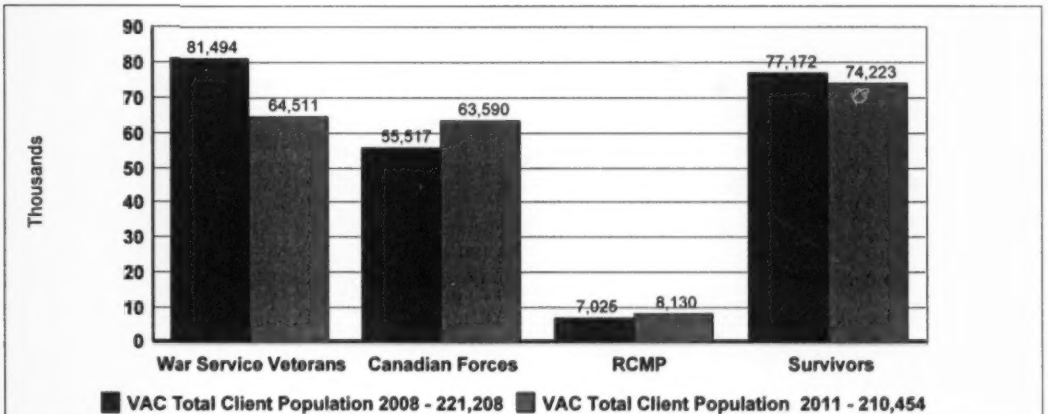
Veterans Affairs Client Population

Veterans Affairs is a growing, medium-sized Portfolio with a renewed and highly relevant mandate. It is a vibrant organization and its services are still very much in demand by a highly deserving and diverse population of Canadians. The Veterans Affairs client base includes Veterans from the Second World War and the Korean War, as well as Canadian Forces members and Veterans, and their survivors and dependants. In addition, the family of clients extends to past and present members of the RCMP, their survivors, dependants, and certain allied Veterans and eligible civilians.

The client base has been shifting and is expected to continue to change over the next 10 years. The average age of war Veterans is expected to be 86 at the end of 2008-09 and the Portfolio is witnessing a decline in their number. However, there continues to be an increase in the number of Canadian Forces and RCMP clients, with average ages respectively of 54 and 57, who are looking to Veterans Affairs for support and assistance. Another consideration is that releasing Canadian Forces members had an average age of 37 in 2006-07.

Not every Veteran is a client of Veterans Affairs. Canada's traditional war Veteran population is estimated to be 197,000 and the Canadian Forces Veteran population is estimated to be 588,000, while our clients are projected as 81,500 and 55,500 respectively.

The following chart illustrates the changing composition of our client base over the planning period.



Strategic Outcomes, Priorities and Plans

Strategic Outcome #1: Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment

In support of this Strategic Outcome, the Department delivers services to its clients through various programs. The major programs and activities which contribute to the Department meeting its mandate are as follows:

Disability Pensions, Disability Awards and War Veterans Allowance

VAC provides disability pensions, disability awards and special awards to those suffering from disabilities related to military service, either during peace or war time.

Pensions recognize and compensate for disabilities or death related to service by Veterans of the First and Second World Wars and the Korean War; any Veteran with service prior to April 1, 1947; Canadian Forces Veterans, and former and serving members of the Royal Canadian Mounted Police (RCMP). Survivors receive a survivor pension based on the amount of disability pension and/or Prisoner of War compensation for which the Veteran was eligible.

War Veterans Allowance provides a regular monthly payment to low-income Veterans or survivors based on income and residency requirements.

Disability awards for Canadian Forces members and Veterans recognize and compensate for the non-economic effects of a service-related disability, including pain and suffering. The awards are a monetary, tax-free, lump-sum payment, the amount of which is based on the extent of the disability.

Over the next year, the average age of traditional war Veteran clients is forecast as 86, the average age of survivors as 83, and the average age of RCMP clients as 57.

Approximately 176,000 Veterans Affairs and RCMP clients will receive a disability pension in 2008-09, with a projected annual expenditure of $1,825 million. The number of clients is expected to decline to around 167,000 in 2010-11, with a cost of about $1,807 million. The most common pensioned conditions are the ear (36.2%), followed by musculoskeletal (17.9%), disc disease and spinal conditions (10.1%), gunshot wounds (4.9%) and psychiatric conditions (4.3%).

As part of the redress process, the Bureau of Pensions Advocates (BPA) provides free legal advice and representation before the Veterans Review and Appeal Board for clients who are not satisfied with decisions regarding their disability benefits. BPA provides these services through a network of 14 District Offices and an Appeal Unit at its Head Office in Charlottetown.

The New Veterans Charter

The New Veterans Charter, launched in April 2006, represents the most sweeping changes to Veterans' benefits and services in the past 60 years. It was developed in consultation with Canadian Forces members and Veterans, and represents the programs they indicated they need to make a successful transition to civilian life. The average age of Canadian Forces Veterans clients (Regular Forces and Reserves) is 54. However, in 2006-07, the average age of releasing Canadian Forces members was 37, highlighting the importance of their successful transition to civilian life.

The programs available under the New Veterans Charter focus on the overall wellness of the Veteran. There is also a clear focus on the care and well-being of family members who share in the experience of military life. The New Veterans Charter offers a comprehensive suite of programs including rehabilitation, health benefits, job placement assistance, financial support and disability awards. Unlike the Disability Pension Program, clients under the New Veterans Charter do not have to be receiving a disability award to access other programs and services.

In 2008-09 it is expected that approximately 1,540 clients will access Rehabilitation services; 1,740 clients will be in receipt of financial benefits; 2,000 clients will receive health care benefits while in rehabilitation; 5,000 Disability Awards and Allowances will be granted; and 2,100 clients will use the Job Placement Program.

Veterans Independence Program

The Veterans Independence Program (VIP) is a national home care program provided by VAC. The program was established in 1981 to help clients remain healthy and independent in their own homes or communities through the provision of home and community care.

VIP does not replace other federal, provincial or municipal programs but instead complements these programs when necessary to best meet the needs of clients. VIP includes services such as housekeeping and grounds maintenance, ambulatory health care, transportation, home adaptations, and intermediate nursing home care. Eligible survivors/primary care givers can receive housekeeping and grounds maintenance services. The number of clients receiving the VIP in 2008-09 is expected to be 105,000. Approximately 55% will be traditional war Veteran clients, while 16% will be survivors/primary care givers. The great majority of clients will access housekeeping services (87%) and/or grounds maintenance services (61%).

Residential Care

Canada's commitment to provide quality care to injured, disabled and aging Veterans is a long-standing priority, dating back to the First World War. As a key pillar of this commitment, VAC has been a pioneering force in establishing, managing and supporting residential care facilities that address the evolving needs of Veterans and other seniors.

In 2008-09, VAC will support approximately 10,800 Veterans in long-term care beds at a cost of slightly over $350 million, either in a network of community facilities across the country or in larger contract facilities which have priority access beds for Veterans. This includes Ste. Anne's Hospital in Montréal, the last remaining federal hospital administered by the Department and currently home to approximately 415 Veterans and eligible civilians in need of long-term care or respite care. Through its day centre, Ste. Anne's Hospital also offers support services to 185 Veterans still residing in the community.

Health Care

VAC's Health Care Program provides Veterans and other eligible clients with treatment and other health-related benefits, including treatment benefits, personalized health care services such as advice and information, needs assessment, advocacy, and referrals. The Health Care Program is designed to enhance the quality of life of clients, promote independence, and assist in keeping clients at home and in their own communities by providing a continuum of care.

In 2008-09, approximately 105,000 clients will benefit from our treatment benefits which consist of medical and dental care; surgical or prosthetic aids; prescription drugs and home adaptations; cost of travel to receive these benefits; and, treatment allowances paid during periods of acute treatment of a pensioned condition. The annual cost will amount to slightly more than $309 million, with prescription drugs accounting for $150 million of this total. It is anticipated that 73% of clients will access Prescription Drugs, 43% will access Audio (Hearing) Services, and 32% will access Related Health Services.

In support of this Strategic Outcome and its focus on quality service for clients, the Department has established the following Strategic priorities and plans for the period of 2008-09 to 2010-11.

Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families

The Department is engaged in a comprehensive review of its health services to determine how best to meet the needs of Canada's Veterans and those who care or cared for them. VAC is exploring ways to promote healthy aging, wellness and quality of life. The ultimate goal is to make a difference for Canada's Veterans by ensuring they receive appropriate care and support at the right time and place. In 2008-09, the Veterans Independence Program will be expanded to include eligible low-income or disabled survivors of traditional war service Veterans.

Using the VIP as a model, and working with Veterans' organizations and the Department's Gerontological Advisory Council, we are exploring options for providing access to health benefits and services.

To further complement the New Veterans Charter and facilitate Canadian Forces Veterans' transition from military to civilian life, VAC and the Canadian Forces are working together on initiatives to enhance and harmonize the services and benefits available to still serving and released members. We are strengthening our presence on Canadian Forces bases to better support Canadian Forces members and families through injury and illness, and to provide continuity of care during the transition from the Canadian Forces.

While the Department's first priority is to ensure that the new programs are working as intended, the New Veterans Charter was designed to be a "Living Charter" to reflect our commitment to address emerging needs as they become priorities, consider revisions as the needs of clients shift, and explore and address any potential gaps that may elevate "barriers to re-establishment". Working closely with Veterans' organizations and other involved groups, the Department has identified several perceived gaps in the New Veterans Charter. We are now researching and analysing these issues to explore options and propose solutions to rectify any substantiated gaps in 2008-09.

The Department will respond to recommendations raised by the Office of the Veterans Ombudsman, providing additional opportunity to improve the delivery of benefits and services to its clients.

Ste. Anne's Hospital is undergoing a major expansion and renovation project aimed at enhancing the quality of life of the Veterans, bringing the hospital in line with provincial standards for long-term care facilities, and creating a safe, comfortable and functional environment for the residents and staff. The total cost of $114 million includes the already completed new pavilion, thermal power plant and electrical sub-station. The main building work will proceed in four phases to maintain the critical balance between providing care and completing the renovations, while placing a great deal of importance on factors such as the ability to meet the residents' clinical needs and the retention of indeterminate employees.

Upon completion of the project, Ste. Anne's Hospital will have a total of 446 private rooms. The first residents will be moving into the newly renovated units in the main building in early 2008.

The Federal Health Claims Processing System is the key delivery mechanism for health claims processing services. An efficient and cost-effective service is essential for VAC and its partners. The provision of processing services allows us to focus on the core competencies of client services while devoting fewer departmental resources to claims processing. In anticipation of the expiry of the current contract, we have established a task force to conduct a fresh procurement of health claims processing and related services through a competitive process.

To measure the cost effectiveness of its pharmacy program, the Department has developed four performance indicators. The first indicator - cost savings from the use of generic drugs - is in place while the other three (average pharmacy professional fee within a service category, unit cost of benefit, claims processing cost per prescription filled) are expected to be implemented in 2008-09.

In order to improve the delivery of its services which support the disability pension and awards programs, the Bureau of Pensions Advocates will implement the "Advocates without Borders" initiative in 2008-09. This will allow work to be distributed among the Bureau's offices without geographic limitations. With a more equitable distribution of work for lawyers and assistants, clients will not need to wait until the backlog clears in a particular office. It is anticipated that this initiative will lead to an overall reduction in turnaround times for clients.

Implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of clients

The availability of qualified mental health service providers at the community level is critical to meet the needs of our clients. During the next three years, priority will be given to developing standards of practice for all mental health service providers, and developing a common service-provider list for Veterans and Canadian Forces members. We will also review the roles of professionals in the District and Regional Offices as well as in the National Centre for Operational Stress Injuries.

Over the next three years, we will place special emphasis on the following:

- expanding the network of VAC Operational Stress Injury clinics to a total of 10 by establishing five additional clinics;
- full implementation of the VAC/DND/RCMP Joint Network for Operational Stress Injuries;
- development of transition processes for mental health clients going to and from acute care treatment; and
- national implementation of telemental health as a mode of service delivery.

In addition, the Department will examine how the Operational Stress Injury clinics support the families of Canadian Forces members and will expand services in the Operational Stress Injury Social Support program to assist them.

We will also continue as an integral member of the Interdepartmental Task Force on Mental Health which is developing a federal strategy on mental health. In support of program and policy design and decision making, we will partner with other organizations that share similar mandates in applied mental health research.

Strategic Outcome #2: Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace

VAC's Remembrance Program is dedicated to keeping alive the achievements and sacrifices made by those who served Canada in times of war, military conflict and peace and to ensure they continue to be remembered and actively honoured.

This is achieved by educating Canadians (through learning activities and/or public information) about our traditional war Veterans and the growing population of Canadian Forces Veterans and ensuring that their achievements are not forgotten; encouraging Canadians, especially youth, to actively participate in remembrance activities to keep their legacy alive; and, partnering with groups and organizations across Canada to deliver Remembrance activities and events that have a real and lasting impact on Canadians.

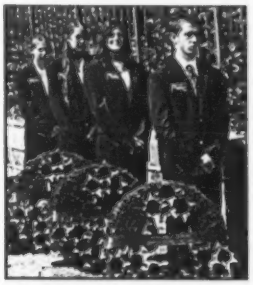
Another key component is the provision of funeral and burial assistance and the maintenance of graves, cemeteries and memorials honouring Canada's Veterans and war dead, both at home and abroad.

Our Remembrance Program includes the following elements:

- memorials;
- cemetery maintenance;
- funeral and burial assistance;
- cenotaph/monument restoration partnerships;
- community engagement partnerships;
- ceremonies and events;
- learning initiatives; and
- public information.

In support of the Strategic Outcome and its focus on quality service for clients, the Department has established the following Strategic Priority for the period of 2008-09 to 2010-11.

Engaging Canadians in community-based remembrance activities with an emphasis on Canada's youth



To achieve this priority, four strategic goals are identified for the Remembrance Program:

- youth engagement and learning;
- expand Canadian Forces Veterans remembrance programming;
- develop and maintain partnerships; and
- service and program access improvement.

In 2008-09, VAC will continue to provide opportunities for Canada's youth to learn about, develop an appreciation of, and take pride in Canada's contribution to world peace and freedom. We will continue to support youth-oriented organizations that promote youth participation in remembrance learning and create opportunities for Canada's youth to connect with Veterans.

As well, we will continue to offer high quality innovative remembrance learning materials that will be an invaluable tool in ensuring our Canadian Veterans are not forgotten by our youth of today.

During 2008-09, we plan to distribute 1.15 million copies of learning materials and 65,000 copies of our publications. It is anticipated that there will be two million visits to the Canada Remembers Web site where Canadians can access information and on-line learning materials such as Heroes Remember and the Canadian Virtual War Memorial.

VAC's client base is continuing to evolve. In particular, the number of Canadian Forces clients increased by 100% between 2001 and 2007. While continuing to appropriately remember our traditional war Veterans and war dead, the Department will increase the profile of Canadian Forces Veterans to Canadians, especially youth, through the use of tools such as the internet, VAC's Web site, learning materials, public information sheets, and Partnership Contribution Funds.

Over the planning period, we will continue to carry out the ongoing maintenance and operation of the Canadian National Vimy Memorial, the Beaumont-Hamel Newfoundland Memorial and 11 other Canadian battlefield memorial sites in France and Belgium. It is anticipated that there will be approximately one million visitors to Canada's battlefield memorials in Europe during 2008-09. We will also continue to provide funding to the Last Post Fund, the Commonwealth War Graves Commission and the United Nations Memorial Cemetery in Korea regarding funeral and burial assistance and to ensure the cemeteries and graves of Canada's war dead are appropriately maintained. It is projected there will be 90 Cenotaph/Monument Restoration Fund partnerships in Canada during 2008-09.

Through the Partnership Contribution Program, VAC will partner with community groups from across Canada to deliver Remembrance programming. It is expected that

we will fund 90 Community Engagement partnerships at the national and community level in 2008-09. As well, we will continue to explore the development of and/or promotion of partnerships to assist in Remembrance programming outreach across Canada. In 2008-09, the Department expects to promote approximately 450 remembrance initiatives internationally, nationally and regionally.

The Department will review and analyse its service delivery and access to Remembrance programming, and implement recommendations for improvements in order to better inform Canadians about Remembrance programming, how to access it, and to encourage more participation.

Strategic Outcome #3: Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families

The Veterans Review and Appeal Board operates at arm's length from government and its departments with the Chair reporting to the Parliament of Canada through the Minister of Veterans Affairs.

The Board's disability adjudicative program includes two levels of redress: review and appeal. Members of the Board conduct informal, expeditious and fair hearings and render well-reasoned written decisions in accordance with the available evidence and the applicable legislation. In this process, appellants are represented by lawyers from the Bureau of Pensions Advocates, Service Officers of the Royal Canadian Legion or other Veterans' organizations, private lawyers or may self-represent. We conduct approximately 7,000 hearings per year. Appellants attend their review hearings which are held in 33 cities across Canada. The legislation provides for written statements at the appeal hearings which are primarily held at our head office in Charlottetown.

The Board faces the challenges of predicting the volume of incoming claims, the increasing complexity of medical interrelationships and legal arguments, additional requests for information and expectations of timely responses, and expanding requirements for reporting. As well, the nature and volume of inquiries resulting from the implementation of the Office of the Veterans Ombudsman in November 2007 has yet to be experienced.

In support of this Strategic Outcome, the Board's Strategic Plan Update 2007 identifies the following three major priorities.

Sustained Program

The primary emphasis is on maintaining the hearing program and providing fair decisions to appellants. The volume of claims adjudicated by VAC and the percentage of favourable decisions directly impacts the number of claims which are registered with client representatives for consultation and subsequently brought forward to the Board. We expect a decrease in War Service clients and a continuing increase in

Canadian Forces clients. The foreseeable workload for the Board is stable at approximately 7,000 hearings in 2008-09.

In order to deliver quality service to its clients, the Board is addressing appellants' concerns regarding the length of the appeal process. We will work with representatives to bring claims forward in a timely manner, and to promote the use of alternative hearing modes such as videoconferences and teleconferences.

Improved program delivery

The Board has a number of initiatives to reduce the time frame for appellants to have their claims adjudicated.

In the pre-hearing process, we are building on the success of changes made in registering and scheduling claims at the appeal level. Review hearings are held in 33 locations across Canada with over 5,900 claims presented by over 40 representatives. In 2008-09 we plan to focus on the review level where an automated review hearing schedule will be implemented. This initiative is being undertaken in co-operation with the Bureau of Pensions Advocates and the Royal Canadian Legion.

An increasing amount of hearing information is prepared and stored electronically. The Board is promoting practices that have a positive impact on the environment by reducing the need for the printing and mailing of documents. We will work with VAC and the Bureau of Pensions Advocates to investigate shared storage of electronic schedules and hearing documentation which can provide real time access for representatives across the country. We are also looking into improving the quality and storage of recordings of review hearings through the use of digital technology.

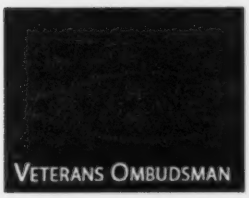
The Board will refocus on the Members Training Plan to improve methods of learning, develop new training tools, address specific areas of legislation, medical matters and administrative law, and an ongoing professional development program.

Throughout its initiatives, the Board will focus on Public Service Renewal, including an increased engagement of staff in decisions and matters affecting their work. An integrated Human Resources Plan was established and will continue to be updated to reflect our business priorities.

Engaged communication with appellants and stakeholders

Individuals are contacting the Board through electronic, telephone and written inquiries. Over 5,800 inquiries are received annually. The Board values all communications and is committed to handling all cases with respect, courtesy and professionalism. The Board initiated a formal complaint process in 2006 and ensures that all issues are reviewed and responded to in a timely manner. We will focus on the areas of increased communications, liaison with the Office of the Veterans Ombudsman, improvements to our Web site and updated performance information.

Strategic Outcome #4: Ombudsman recommendations advance Veterans Affairs fair and equitable treatment of eligible clients



On April 3, 2007, the Prime Minister of Canada announced the creation of a Veteran's Bill of Rights and a Veterans Ombudsman to ensure adherence to the Bill of Rights. The Ombudsman, who was appointed on November 11, 2007, operates independently from the Department and reports to the Minister of Veterans Affairs. The Ombudsman is committed to raising awareness of the needs and concerns of Veterans and will work to build Veterans' confidence that their views are important. The individuals who seek help from the Ombudsman are Veterans with war service, Veterans and serving members of the Canadian Forces (Regular and Reserve), members and former members of the Royal Canadian Mounted Police, spouses, common-law partners, survivors and primary caregivers, other eligible dependants and family members and other eligible clients, who have complaints related to the programs and services provided by or administered by Veterans Affairs.

The Ombudsman has the authority to bring client issues to the attention of departmental management for informal resolution and to the attention of the Minister in cases where resolution cannot be achieved at the departmental level. The Minister will table an annual report to the House of Commons. The Ombudsman will raise issues concerning individual client cases that are subject to the departmental appeal process (excluding those appealable to the VRAB) which the Ombudsman deems to merit a review. The Ombudsman will also raise issues on departmental processes and regulations when he deems changes are necessary to better meet client needs through structural or regulatory change. In this way, the role of the Ombudsman forms an integral component of the government's overall goal of ensuring that clients receive consistent, fair and quality service.

The Ombudsman will clearly communicate his role and responsibilities (and those of his office) to Veterans. Nevertheless, the Ombudsman may not be able to satisfy all the expectations of every client. The Ombudsman will maintain the confidence of the Veteran community through communication and transparency.

In support of this Strategic Outcome and to ensure that Canada's Veterans are receiving the treatment they deserve, the Ombudsman identifies the following five major priorities.

Establishing the Organization

The emphasis is on defining and establishing an organization which can meet the clients' needs at the right time and in the right place. In order to do so, the Veterans Ombudsman will fully establish an organization by the fall of 2008, with the positions staffed according to the *Public Service Employment Act.*

Establishing a Veterans Ombudsman Advisory Committee

The Ombudsman will establish a Veterans Ombudsman Advisory Committee by summer 2008 to help with his responsibility of assisting Veterans in the pursuit of their concerns and the advancement of their issues. The Committee will provide

advice on matters relating to the Ombudsman's mandate. Members of the Committee will be drawn from persons representing the Ombudsman's stakeholders. Members will have equal status during discussions while the authority for final decisions rests with the Ombudsman.

Outreach

It is important to raise awareness of the Veterans Ombudsman. To increase visibility, the Ombudsman will proactively reach out to Veterans, Veterans' organizations and the Canadian public to hear views and opinions on topics such as the services and benefits provided to Veterans, and the challenges or difficulties Veterans face in their dealings with Veterans Affairs. With a common goal of improving the lives of Canada's Veterans, the work of the Veterans Ombudsman will fuel change within Veterans Affairs.

Creating Business Procedures

Business procedures are imperative to the successful management and resolution of client complaints. To avoid excessive bureaucracy, the Ombudsman will create streamlined and straightforward business procedures.

Addressing and Resolving Client Complaints

While establishing the organization and creating business procedures are important, the primary goal of the Ombudsman is to review individual complaints as submitted by Veterans and other clients. All complaints will be addressed, with as many as possible satisfactorily resolved to meet the needs of each individual Veteran and client groups. As systemic issues arise or are uncovered, these will be researched and examined. Recommendations will be made to the Department to improve procedures, policies or other processes.

VAC Management Priorities

The Department is responsible for ensuring the effective and efficient use and protection of the Portfolio's resources (financial, human, material and information technology). On behalf of the Portfolio, the Department has established the following Strategic Priority.

Enhancing Organizational Effectiveness

VAC is implementing projects that will make strategic investments in the following areas: delegated authority; financial systems; business process documentation; public service renewal; and Central Agency support. Specific plans for 2008-09 include developing and implementing a revised and renewed delegation instrument, implementing a new interface with Public Works and Government Services Canada Standard Payment System, and implementing a new Free-balance purchasing and asset management model. We will work on a review and documentation of information technology and general controls, and prepare business process documentation for key control points.

To meet the requirement to fully implement the new Policy on Internal Audit by April 2009, the Department will create an external audit committee by spring 2008. The majority of the members of the committee will be external to the federal government.

In support of Public Service Renewal and Federal Government reporting requirements, Veterans Affairs is further developing its Integrated Human Resources and Business Planning process. This will ensure that we have the right people in the right place at the right time, and that our employees have the necessary infrastructure to enable them to improve their effectiveness and to continue to provide quality services.

In 2008-09, the Integrated Human Resources and Business Planning process will align Veterans Affairs workforce with our priorities, our strategic plans and budgetary resources, and will also be used to inform risk assessment. These plans will be available on the VAC and VRAB Web sites.

VAC must ensure that it maintains a balance between the need to adopt Government-wide standardized technology and the need to have flexible technology that supports employees and clients in the delivery of its programs and services. Partnering is key to ensuring success in supporting program growth and responsive service delivery to meet the evolving needs of its clients. Our leadership role is demonstrated through partnering with five other departments in the Information Technology (IT) Shared Services Initiative to explore the business case for providing shared services to the Government of Canada. It will provide economies of scale in support of delivery of current IT services, and an improved ability to meet future program/business delivery and support activities based on the expected attrition rate of IT staff resources. Working together in collaboration demonstrates the contribution that technology can make to the quality of services provided to clients.

In 2008-09, the Department will create the Centre for Integrity, Ethics, and Conflict Resolution to bring together a number of existing organizations in Veterans Affairs which have had some responsibility for conflict resolution in the past. Centralized leadership will allow for efficiencies and better co-ordination of conflict management.

SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome #1:

Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment.

The Department's performance in meeting its strategic outcome is measured every two years by the following performance indicator:

- Percentage of clients who report satisfaction with the programs and services offered by Veterans Affairs Canada. The target is 85 percent.

The Department's performance is also measured on an annual basis by the following performance indicators:

- Percentage of War Service clients who were assessed in the last year and who report a positive impact on their health status as a result of Veterans Affairs Canada programs and services. The target is 85 percent.
- Percentage of Canadian Forces clients assessed in the last year who report a positive impact on their health status as a result of Veterans Affairs Canada programs and services. The target is 85 percent.

Program Activity #1.1:

Pensions, Awards, Allowances for Disability and Death; and Financial Support

VAC provides, upon eligibility, pensions or awards for disability or death and financial support as compensation for hardships arising from disabilities and lost economic opportunities. VAC has a comprehensive and integrated range of compensation and wellness programs to support its clients. These clients include: Veterans of the First World War, the Second World War, and the Korean War, Merchant Navy Veterans, Canadian Forces Veterans, Canadian Forces members, spouses, common-law partners, certain civilians, and survivors and dependants of military and civilian personnel. VAC also administers disability pensions for the Royal Canadian Mounted Police (RCMP) under a Memorandum of Understanding. This Program Activity is delivered through operating and grants.

VAC's mission is to provide exemplary, client-centred services and benefits that respond to the needs of our clients, in recognition of their services to Canada. The expected result which would link this program activity to the corresponding strategic outcome is:

- Eligible clients of Disability Pensions, Financial Support, Awards and Allowances Programs are appropriately compensated to contribute to their well-being.

VAC's performance is measured every two years by the following performance indicator:

- Percentage of clients that feel that the programs and services which they have received address their basic needs. The target is 85 percent.

FINANCIAL AND HUMAN RESOURCES

($ millions)	2008-2009		2009-2010		2010-2011	
Full-time equivalents	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Veterans Affairs Canada	2,166.6	1,353	2,098.4	1,331	2,048.2	1,327

Program Activity #1.2:

Health Care and Re-establishment Benefits and Services

VAC provides health benefits, a Veterans Independence Program, residential care, and rehabilitation and re-establishment support to eligible Veterans and others.

The Health Care Program is designed to enhance the quality of life of VAC clients, promote independence, and assist in keeping clients at home and in their own communities by providing a continuum of care. The Program Activity is delivered through operating and contributions.

VAC's mission includes providing exemplary, client-centred services and benefits that respond to our clients' needs, in recognition of their services to Canada. The expected result which would link this program activity to the corresponding strategic outcome is:

- VAC contributes to the well-being of clients through the provision of health benefits and rehabilitation services.

The Department's performance in providing health care and re-establishment benefits and services to clients is measured annually by the following performance indicator:

- Percentage of clients who were assessed in the last year who report a positive impact on their health status as a result of Veterans Affairs Canada health care and re-establishment benefits and services. The target is 85 percent.

FINANCIAL AND HUMAN RESOURCES

($ millions)	2008-2009		2009-2010		2010-2011	
Full-Time Equivalents	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Veterans Affairs Canada	1,160.9	2,199	1,167.4	2,174	1,163.3	2,169

Strategic Outcome #2:

Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace.

The Department's performance in meeting its strategic outcome is measured on an annual basis by the following performance indicator:

- Percentage of Canadians engaged in remembrance. The target is 15 percent.

Program Activity # 2.1:

Remembrance Programming

Remembrance Programming keeps alive the achievements and sacrifices made by those who served Canada in times of war, military conflict and peace; engages communities in remembrance of these achievements and sacrifices; and, promotes an understanding of their significance in Canadian life as we know it today. This Program Activity is delivered through contributions, grants and operating.

The expected result which would link this program activity to the corresponding strategic outcome is:

- A Canadian public that is informed of military history and engaged in honouring the contributions of Veterans and those who gave their lives in the cause of peace and freedom.

The Department's performance measurement strategy used to report on the expected result includes measuring the following performance indicator every two years:

- Percentage of Canadians who are aware of the contributions and sacrifices of Canadian Veterans. The target is 60 percent.

FINANCIAL AND HUMAN RESOURCES

($ millions)	2008-2009		2009-2010		2010-2011	
Full-Time Equivalents	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Veterans Affairs Canada	50.6	157	50.6	157	50.6	157

Strategic Outcome #3:

Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families.

The Veterans Review and Appeal Board's performance in meeting its strategic outcome is measured on an annual basis by the following performance indicator:

- Percentage of client concerns that are effectively responded to. The target is 80 percent of complaints are responded to within 60 days.

Program Activity # 3.1:

Veterans Review and Appeal Board redress process for disability pensions and awards

VRAB provides Canada's war Veterans, eligible Canadian Forces Veterans and members, RCMP clients, qualified civilians and their families with full opportunity to request review and appeal hearings to ensure a fair adjudicative process for disability pension, disability award, and War Veterans Allowance claims. This Program Activity is delivered through operating.

The Board has full jurisdiction to hear, determine and deal with all applications for review and appeal that may be made to the Board under the *Pension Act*, the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*, the *War Veterans Allowance Act* and other acts of Parliament.

The Board's objective is to ensure that clients receive the benefits to which they are entitled efficiently, fairly and in accordance with the available evidence and the applicable legislation. The expected result which would link this program activity to the corresponding strategic outcome is:

- Fairness in the Disability Pension, Disability Award and War Veterans Allowance Program.

The Board's performance in meeting the expected result is measured annually by the following performance indicator:

- Percentage of Federal Court decisions that uphold Veterans Review and Appeal Board decisions. The target is 50 percent.

FINANCIAL AND HUMAN RESOURCES

($ millions)	2008-2009		2009-2010		2010-2011	
Full-Time Equivalents	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Veterans Review and Appeal Board	13.8	147	13.8	147	13.8	147

Strategic Outcome #4:

Ombudsman recommendations advance Veterans Affairs fair and equitable treatment of eligible clients.

The Office of the Veterans Ombudsman's performance in meeting its strategic outcome is measured on an annual basis by the following performance indicators:

- Number of the Ombudsman's recommendations implemented by Veterans Affairs Canada. The target is to be determined.
- Number of cases resolved through informal resolution. The target is to be determined.

Program Activity #4.1:

Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues

The Office of the Veterans Ombudsman provides War Service Veterans, Veterans or members of the Canadian Forces; members or former members of the RCMP; other clients of Veterans Affairs Canada; spouses, common-law partners, or dependent children of a person in the afore-mentioned groups, or the survivors or orphans of deceased persons who qualified under one of these groups; and representatives of the afore-mentioned groups with the opportunity to request independent reviews of their complaints by an impartial individual who was not part of the original decision-making process. This Program Activity is delivered through operating.

The Veterans Ombudsman has the mandate to:

- review and address complaints by clients and their representatives arising from the application of the provisions of the Veterans Bill of Rights;
- identify and review emerging and systemic issues related to programs and services provided or administered by the Department or by third parties on the Department's behalf that impact negatively on clients;
- review and address complaints by clients and their representatives related to programs and services provided or administered by the Department or by third parties on the Department's behalf, including individual decisions related to the programs and services for which there is no right of appeal to the Board;
- review systemic issues related to the Board; and
- facilitate access by clients to programs and services by providing them with information and referrals.

The expected results which would link this program activity to the corresponding strategic outcome are:

- Individual client complaints are effectively dealt with in a timely manner.
- Reports on recommendations on complex systemic and emerging issues.
- Veterans Affairs Canada's programs and services address client needs.

The Office of the Veterans Ombudsman's performance measurement strategy to report on the expected results includes annual measuring of the following performance indicators:

- Turn-around times from the time a complaint is received by the Ombudsman's office until the review/investigation has been completed. The target is to be determined.
- Number of recommendations made to the organization. The target is to be determined.
- Number of cases resolved through informal resolution. The target is to be determined.

FINANCIAL AND HUMAN RESOURCES

($ millions)	2008-2009		2009-2010		2010-2011	
Full-time equivalents	Planned Spending	FTE	Planned Spending	FTE	Planned Spending	FTE
Office of the Veterans Ombudsman	5.8	40	5.8	40	5.8	40

SECTION III - SUPPLEMENTARY INFORMATION

Table 1: Portfolio Links to the Government of Canada Outcome Areas

($ millions)	Planned Spending			
	2008-09	2009-10	2010-11	Alignment to Government of Canada Outcome Areas
Strategic Outcome #1: Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment.				
Pensions, Awards, Allowances for Disability and Death, and Financial Support	2,166.6	2,098.4	2,048.2	Income Security and Employment for Canadians
Health Care and Re-establishment Benefits and Services	1,160.9	1,167.4	1,163.3	Healthy Canadians
Strategic Outcome #2: Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace.				
Remembrance Programming	50.6	50.6	50.6	A Vibrant Canadian Culture and Heritage
Strategic Outcome #3: Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and members, RCMP clients, qualified civilians and their families.				
Veterans Review and Appeal Board redress process for disability pensions and awards	13.8	13.8	13.8	Income Security and Employment for Canadians
Strategic Outcome #4: Ombudsman recommendations advance Veterans Affairs fair and equitable treatment of eligible clients.				
Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues	5.8	5.8	5.8	Income Security and Employment for Canadians Healthy Canadians

Pensions, Awards, Allowances for Disability and Death, and Financial Support contributes to the Government of Canada's "Income Security and Employment for Canadians" outcome area.
Health Care and Re-establishment Benefits and Services contributes to the Government of Canada's "Healthy Canadians" outcome area.
Remembrance Programming contributes to the Government of Canada's "A Vibrant Canadian Culture and Heritage" outcome area.
Veterans Review and Appeal Board redress process for disability pensions and awards contributes to the Government of Canada's "Income Security and Employment for Canadians" outcome area.
Office of the Ombudsman contributes to the Government of Canada's "Income Security and Employment for Canadians" and "Healthy Canadians" outcome areas.

Table 2: Sustainable Development Strategy

Veterans Affairs remains committed to sustainable development. In our fourth Sustainable Development Strategy, the Portfolio is focussing on key areas identified by the federal government to reach sustainable development goals. These include federal governance, greenhouse gas emissions, green stewardship, quality of life, regulatory compliance, and waste and water management. These are areas where we can expect to make a difference.

One of the priorities of Veterans Affairs is to continue to reduce the use of paper which includes such strategies as default double-sided printing and reducing the number of printers and copiers.

Ste. Anne's Hospital continues to implement sustainable practices within the hospital by recycling glass, plastic and metal; its reduce, reuse and recycle paper usage program; its sustainable transportation program; and various environmental awareness activities.

By concentrating on a smaller amount of important sustainable development commitments than in the past, Veterans Affairs will remain focussed and realize success. The establishment of a comprehensive performance measurement management framework will allow us to effectively monitor progress and success.

SDS Departmental Goal		
Federal SD Goal including Greening Government Operations goals (if applicable)	**Performance Measure**	**2008-09**
1. Federal Governance: 100% of materiel managers and procurement personnel take green procurement training by 2010		
Clear and effective governance mechanisms to integrate sustainable development in decision-making.	Report annually on the percentage of materiel managers and procurement community trained.	30%
2. Federal Governance: Quantity of green products purchased is increased by 15% by 2009		
Clear and effective governance mechanisms to integrate sustainable development in decision-making.	1. Report annually on the dollar value spent; and number of contracts issued against this procurement target. 2. Identify associated environmental outcomes.	10%
3. Federal Governance: Conduct an analysis of paper usage and implement strategies to reduce paper usage		
Clear and effective governance mechanisms to integrate sustainable development in decision-making.	Decrease in quantity of paper purchased.	10%
4. Federal Governance: Conduct an analysis of printer/photocopier inventory and implement strategies to pool resources and explore use of multi-functional equipment		
Clear and effective governance mechanisms to integrate sustainable development in decision-making.	Report annually on reduced number of non-duplex printers and photocopiers.	10%
5. Greenhouse Gas Emissions: Reduce by 15% from 2002-2003 levels, greenhouse gas emissions per vehicle kilometre from Veterans Affairs' fleet by 2010		
Emissions are reduced.	Annual average GHG emissions per vehicle kilometre.	10%
6. Greenhouse Gas Emissions: All gasoline purchased for federal road vehicles will be ethanol-blended, where available		
Emissions are reduced.	Percentage of litres of gasoline purchased for federal road vehicles that is ethanol-blended.	5%

SDS Departmental Goal		
Federal SD Goal including Greening Government Operations goals (if applicable)	**Performance Measure**	**2008-09**
7. Greenhouse Gas Emissions: Conduct an analysis of vehicle (fleet, personal, rental) usage by staff and implement strategies to reduce greenhouse gas emissions		
Emissions are reduced.	Analysis has been conducted and next steps have been identified.	N/A
8. Greenhouse Gas Emissions: In support of the overall Federal House In Order target of 31%, reduce greenhouse gas emissions by 2010 at Ste. Anne's Hospital		
Emissions are reduced.	Report annually the percent reduction in GHG emissions at Ste. Anne's Hospital.	25% (22.35g/d d/m2)
9. Green Stewardship: Raise awareness on sustainable development issues and solutions through communication to all staff		
Staff is aware of the importance of sustainable development.	Number of communications delivered to staff.	36
10. Quality of Life: A high percentage of all Client Service Teams to have undergone certification through Veterans Affairs Canada's National Certification Program by 2010		
Service delivery is aligned with departmental principles and practices that promote integrated, consistent, exemplary and client-centred service to clients and their families.	Report annually on the percentage of Client Service Teams (CSTs) that have undergone certification.	33%
11. Quality of Life: Based on applied research evidence, implement continuing care strategies to improve supportive services for Veterans, seniors, and their families		
Informed decisions on continuing care policies with goal of improving supportive services to Veterans, seniors and their families, as well as contributing to national policy making on continuing care issues.	Report annually on decisions made as a result of continuing care studies.	N/A
12. Regulatory Compliance: Comply with applicable Federal environmental regulatory obligations at Ste. Anne's Hospital		
Compliance with federal standards which support a healthier ecosystem.	Increase compliance with environmental regulatory clauses.	100%
13. Waste Management: Increase amount of waste recycled by 15% at Ste. Anne's Hospital by 2009		
Waste is reduced.	Decrease in tons of waste produced.	10%
14. Water: Reduce water consumption per square foot by 5% by 2009 at Ste. Anne's Hospital		
Water efficiency and sustainable water use is improved.	Decrease in litres of water consumed.	3%

As a part of our commitment to sustainable development, and working with our partners at Public Works and Government Services Canada, Veterans Affairs will be the major tenant of the new Jean Canfield Building in Charlottetown. This building is one of the most environmentally friendly government buildings ever constructed. It is a showcase for environmental technologies and includes features such as the use of natural light to moderate indoor temperatures, the use of recycled rainwater to reduce water consumption, and a reflective roof to reduce the amount of heat the building absorbs from the atmosphere.

List of Electronic Tables

The following tables can be found on the Treasury Board of Canada Secretariat Web site at: www.tbs-sct.gc.ca/rpp/2008-2009/info/info-eng.asp

Details of Transfer Payment Programs
Evaluations
Green Procurement
Internal Audits
Progress Toward the Portfolio's Regulatory Plan
Services Received Without Charge
Sources of Non-respendable Revenue
Summary of Capital Spending by Program Activity

SECTION IV – OTHER ITEMS OF INTEREST

Why We Honour Them

In 2008, Canada will mark three important anniversaries in its military history: the 90th anniversary of the Armistice of the First World War; the 65th anniversary of the Battle of the Atlantic; and the 55th anniversary of the Korean cease fire.

These events serve as reminders that Canada's development as an independent nation with a unique identity stems in great measure from the magnitude of its wartime exploits, such as the Battle of Vimy Ridge. The tremendous legacy left by the success and accomplishments of our servicemen and women has led to the recognition of Canada in the community of nations.

During the 20th and 21st centuries, Canadians responded to their country's call for service during the First World War, the Second World War, the Korean War, the war in Afghanistan, and a variety of peace enforcement, peacekeeping and humanitarian operations around the world (most of which have proved to be as hazardous as war service) around the world.

Prior to the First World War, there was no government department or agency responsible for Canada's Veterans. With the commemoration of the 90th Anniversary of the Battle of Vimy Ridge, we are reminded of the immense human toll of the First World War. From a total population of eight million, Canada sent almost 620,000 men and women to war. Of these, 66,655 gave their lives while another 172,950 were wounded. In recognition of their sacrifices, the Government of Canada established Veteran's rehabilitation programs which were combined into one department at the end of the war.

During the Second World War, Canada's population of 11 million produced a fighting force of over one million men and women. Canada's Navy was the third largest of the allied forces, while its Air Force was the fourth largest. More than 45,000 members of the Canadian Navy, Army, Air Force and Merchant Navy would make the ultimate sacrifice, while 55,000 returned home wounded.

Of particular significance was the Battle of the Atlantic. It was the longest running battle of the Second World War and had the highest casualty rate - one out of every eight Canadians who participated was either killed or wounded.

When the war ended, virtually all Veterans faced the challenge of demobilization and a return to civilian life. Recognizing that a large scale rehabilitation program would again be required, the Veterans Charter was established to provide returning Veterans with various benefits and assistance.

Under a United Nations mandate, 27,000 Canadian Forces personnel defended freedom through their service in the Korean War. Between June, 1950 and the cease

fire in July, 1953, Canadian casualties numbered over 1,500 including 516 who lost their lives. Korean War Veterans were also provided with benefits and services under the Veterans Charter.

Since 1947, Canadians have actively contributed to 72 international operations of all kinds; most, but not all of which were conducted under the mandate of the United Nations. These operations have taken a toll in terms of the physical and mental well-being of those involved. Currently, more than 2,900 Canadian soldiers, sailors and Air Force personnel are deployed overseas on operational missions. On any given day, about 8,000 Canadian Forces members are preparing for, engaged in or returning from an overseas mission.

In recognition of modern-day needs, the New Veterans Charter (*Canadian Forces Members and Veterans Re-establishment and Compensation Act*) came into effect in April 2006. It represents the most sweeping change to Veterans' benefits and services since the Second World War. It builds on the services and benefits that were already in place to help traditional war service Veterans live with dignity and independence, and offers Canadian Forces Veterans and their families access to services and programs that are tailor-made for them.

Partnerships

Veterans Affairs worked in close partnership with the Department of National Defence and the Canadian Forces in the development of the New Veterans Charter and continues to work with them on the continued delivery of these programs and services. Consulting on a regular basis with Veterans' organizations, central agencies, various federal departments and other levels of government is also key to ensuring that our actions reflect the changing needs of our diverse clientele. For example, we consult with the Royal Canadian Legion, the National Council of Veterans Associations in Canada, the Army, Navy, and Air Force Veterans in Canada, the Canadian Association for Veterans of United Nations on Peacekeeping and the Canadian Peacekeeping Veterans Association on issues such as the New Veterans Charter, development of our Strategic Plan, the creation of a Veterans Bill of Rights and the establishment of a Veterans Ombudsman. In another example, Service Officers of the Royal Canadian Legion represent clients before the Veterans Review and Appeal Board.

One of the Department's significant partnerships is the Federal Healthcare Partnership (FHP). This is a voluntary alliance of six federal government organizations responsible for ensuring delivery of healthcare services to more than 1.1 million clients in Canada. The client base includes:

- eligible Veterans;
- Canadian Forces members;
- RCMP members;
- First Nations and Inuit people;
- inmates of federal institutions; and
- certain classes of migrants.

The FHP is supported by a Secretariat which reports to VAC's Associate Deputy Minister and is funded through VAC. The two primary goals of the FHP are achieving economies of scale while enhancing the provision of care and providing strategic leadership on health-related issues. These goals are met through collaborative work undertaken by the partners in a number of areas, including audiology, dental care, Federal/Provincial/Territorial representation, health human resources, health information management, medical equipment recycling, mental health, pharmacy, and vision care.

Partnerships are critical to the delivery of Remembrance programming. We work with the Canadian Forces, Canadian Heritage and other governmental organizations at the community, national and international level to ensure that the message of Remembrance reaches a broad audience. To continue sharing the duty and honour of Remembrance, we also work with non-governmental organizations such as the Royal Canadian Legion, Scouts Canada, youth organizations and other partners at the community, national and international level.

Appendices:

Appendix A: Acronyms

AEC	Audit and Evaluation Committee
BPA	Bureau of Pensions Advocates
CF	Canadian Forces
DEB	Departmental Executive Board
DND	Department of National Defence
IT	Information Technology
OAG	Office of the Auditor General
PCP	Partnership Contribution Program
RCMP	Royal Canadian Mounted Police
SMC	Senior Management Committee
VAC	Veterans Affairs Canada
VRAB	Veterans Review and Appeal Board

Appendix B: Web sites

The following Web sites will provide more detailed information on material provided in this report. If further information is required, contact may be made through the VAC general enquiries lines listed on the last page of this report.

Audit and Evaluation Reports:
www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/deptaudrep

Canada Remembers:
www.vac-acc.gc.ca/remembers/

Clients:
www.vac-acc.gc.ca/clients/

DND-VAC Centre for the Support of Injured Members, Injured Veterans and their Families:
www.dnd.ca/hr/thecentre/engraph/home_e.asp

Human Resources Five-Year Strategic Plan:
www.vac-acc.gc.ca/general/sub.cfm?source=department/reports

Mental Health:
www.vac-acc.gc.ca/clients/sub.cfm?source=mhealth

National Client Satisfaction Survey:
www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/ncss05

New Veterans Charter:
www.vac-acc.gc.ca/clients/sub.cfm?source=Forces/nvc

Office of the Veterans Ombudsman:
www.ombudsman-veterans.gc.ca

On-line Services:
www.vac-acc.gc.ca/clients/sub.cfm?source=e_services

Providers and Professionals:
www.vac-acc.gc.ca/providers

Regulations:
www.vac-acc.gc.ca/general/sub.cfm?source=department/Legislation

Royal Canadian Mounted Police:
www.vac-acc.gc.ca/clients/sub.cfm?source=rcmp

Ste. Anne's Hospital:
www.vac-acc.gc.ca/general/sub.cfm?source=steannes

Strategic Plan (Veterans Affairs Canada):
www.vac-acc.gc.ca/general/sub.cfm?source=department/reports

Strategic Plan (Veterans Review and Appeal Board):
www.vrab-tacra.gc.ca/VRAB-TACRA_Documents.htm

Sustainable Development Strategy:
www.vac-acc.gc.ca/general/sub.cfm?source=department/reports

Veterans Affairs Canada:
www.vac-acc.gc.ca/general/

Veterans Review and Appeal Board:
www.vrab-tacra.gc.ca

Youth and Educators:
www.vac-acc.gc.ca/youth/

Appendix C: Contact Information

If you wish to make a general enquiry about VAC, its programs or services, please call 1-866-522-2122. If you wish to make a general enquiry about Veterans Review and Appeal Board, please call 1-800-450-8006.

Portfolio Publications

The Portfolio produces a variety of publications on its programs and services. Copies of these publications can be obtained from your nearest VAC district or regional office.

Our staff in Corporate Planning is responsible for co-ordinating the development of this report, the associated Performance Report, as well as a number of other departmental reports. These are available on-line at:
www.vac-acc.gc.ca/general/sub.cfm?source=department/reports

For more information or if you have any questions, please contact:

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